

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7210

BILL NUMBER: HB 1938

DATE PREPARED: Feb 28, 2001

BILL AMENDED: Feb 26, 2001

SUBJECT: Medicaid Coverage for Breast and Cervical Cancer.

FISCAL ANALYST: Alan Gossard

PHONE NUMBER: 233-3546

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill expands Medicaid to include women screened and found to need treatment under the federal Breast and Cervical Cancer Prevention and Treatment Act of 2000. The bill allows presumptive eligibility for qualified women. It also limits eligibility to women whose family income does not exceed 200% of the federal income poverty level for the same size family. The bill also appropriates funds from the state General Fund.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) This bill expands eligibility for breast and cervical cancer treatment services under the Medicaid program to qualified women. Additional expenditures for medical services are estimated to be \$644,000 for FY 2002 and \$942,000 for FY 2003. Additional expenditures for systems costs are estimated to range from \$213,000 to \$538,000 for FY 2002 and between \$0 and \$20,000 for FY 2003, depending upon administrative decisions on type of system to implement. The bill also specifies that there is annually appropriated from the state General Fund an amount sufficient to fund this program.

Background: According to the Family and Social Services Administration (FSSA) and based on Congressional Budget Office estimates, the average treatment cost for cervical and breast cancer are about \$20,000 with ongoing care costs, including full Medicaid coverage, of \$10,146 to \$13,015 per year.

Data from the State Department of Health (SDH) Breast and Cervical Cancer Early Detection program reports cancer rates to be 2% for breast cancer, 0.08% for cervical cancer, and 2.80% for abnormal PAP smears and precancerous tumors. SDH also estimates that 4,250 women will be screened in FFY 2001 and in years following.

Total care costs under the program are estimated to be \$2.43 M for FY 2002, and \$3.54 M for FY 2003. With a required state match of 26.57%, state expenditures would be \$644,000 for FY 2002 and \$942,000 for FY 2003. (This represents federal funds of about \$1.786 M in FY 2002 and \$2.598 M in FY 2003.)

FSSA reports that system changes will be required of the Indiana AIM (AIM) and the Indiana Client Eligibility System (ICES). Total start-up costs are estimated to range from \$550,000 to \$1.387 M in the first year, depending upon the type of system modifications that will be implemented. Based on a state match of 38.81%, state expenditures are estimated to range from \$213,000 to \$538,000 in FY 2002. [The lower range is based on an estimated cost of \$50,000 per year for a manual system for claims payment. The higher range is based on more significant modifications to the current system. The ultimate impact to the state will depend on administrative decisions.]

Explanation of State Revenues: See Explanation of State Expenditures, above, regarding federal financial participation.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Kathy Gifford, OMPP, (317) 233-4455.